

**SCHEDULE M-3  
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations  
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

**2018**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C.

▶ Go to [www.irs.gov/Form1120](http://www.irs.gov/Form1120) for instructions and the latest information.

Name of corporation (common parent, if consolidated return)

Employer identification number

- Check applicable box(es): (1)  Non-consolidated return (2)  Consolidated return (Form 1120 only)  
(3)  Mixed 1120/L/PC group (4)  Dormant subsidiaries schedule attached

**Part I Financial Information and Net Income (Loss) Reconciliation** (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?  
 **Yes.** Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.  
 **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?  
 **Yes.** Skip line 1c and complete lines 2a through 11 with respect to that income statement.  
 **No.** Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?  
 **Yes.** Complete lines 2a through 11 with respect to that income statement.  
 **No.** Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning MM/DD/YYYY Ending MM/DD/YYYY
- b** Has the corporation's income statement been restated for the income statement period on line 2a?  
 **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)  
 **No.**
- c** Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?  
 **Yes.** (If "Yes," attach an explanation and the amount of each item restated.)  
 **No.**
- 3a** Is any of the corporation's voting common stock publicly traded?  
 **Yes.**  
 **No.** If "No," go to line 4a.
- b** Enter the symbol of the corporation's primary U.S. publicly traded voting common stock
- c** Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

|  |            |                          |
|--|------------|--------------------------|
| <b>4a</b> Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1   | <b>4a</b>  | <input type="text"/>     |
| <b>b</b> Indicate accounting standard used for line 4a (see instructions):<br>(1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ |            |                          |
| <b>5a</b> Net income from nonincludible foreign entities (attach statement)  | <b>5a</b>  | ( <input type="text"/> ) |
| <b>b</b> Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)  | <b>5b</b>  | <input type="text"/>     |
| <b>6a</b> Net income from nonincludible U.S. entities (attach statement)   | <b>6a</b>  | ( <input type="text"/> ) |
| <b>b</b> Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)   | <b>6b</b>  | <input type="text"/>     |
| <b>7a</b> Net income (loss) of other includible foreign disregarded entities (attach statement)  | <b>7a</b>  | <input type="text"/>     |
| <b>b</b> Net income (loss) of other includible U.S. disregarded entities (attach statement)  | <b>7b</b>  | <input type="text"/>     |
| <b>c</b> Net income (loss) of other includible entities (attach statement)   | <b>7c</b>  | <input type="text"/>     |
| <b>8</b> Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)  | <b>8</b>   | <input type="text"/>     |
| <b>9</b> Adjustment to reconcile income statement period to tax year (attach statement)  | <b>9</b>   | <input type="text"/>     |
| <b>10a</b> Intercompany dividend adjustments to reconcile to line 11 (attach statement)  | <b>10a</b> | <input type="text"/>     |
| <b>b</b> Other statutory accounting adjustments to reconcile to line 11 (attach statement)   | <b>10b</b> | <input type="text"/>     |
| <b>c</b> Other adjustments to reconcile to amount on line 11 (attach statement)  | <b>10c</b> | <input type="text"/>     |
| <b>11</b> <b>Net income (loss) per income statement of includible corporations.</b> Combine lines 4 through 10.<br><b>Note:</b> Part I, line 11, must equal Part II, line 30, column (a), or Schedule M-1, line 1 (see instructions).  | <b>11</b>  | <input type="text"/>     |

**12** Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

|                                     | Total Assets         | Total Liabilities    |
|-------------------------------------|----------------------|----------------------|
| <b>a</b> Included on Part I, line 4 | <input type="text"/> | <input type="text"/> |
| <b>b</b> Removed on Part I, line 5  | <input type="text"/> | <input type="text"/> |
| <b>c</b> Removed on Part I, line 6  | <input type="text"/> | <input type="text"/> |
| <b>d</b> Included on Part I, line 7 | <input type="text"/> | <input type="text"/> |

|   |                                |
|---|--------------------------------|
| Name of corporation (common parent, if consolidated return)   | Employer identification number |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group |                                |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations   |                                |
| Name of subsidiary (if consolidated return)   | Employer identification number |

**Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return** (see instructions)

|  | (a)<br>Income (Loss) per<br>Income Statement | (b)<br>Temporary<br>Difference | (c)<br>Permanent<br>Difference | (d)<br>Income (Loss)<br>per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| <b>Income (Loss) Items</b><br>(Attach statements for lines 1 through 12) |  |                                |                                |  |
| 1  |  |                                |                                |  |
| 2  |  |                                |                                |  |
| 3  |  |                                |                                |  |
| 4  |  |                                |                                |  |
| 5  |  |                                |                                |  |
| 6  |  |                                |                                |  |
| 7  |  |                                |                                |  |
| 8  |  |                                |                                |  |
| 9  |  |                                |                                |  |
| 10   |  |                                |                                |  |
| 11   |  |                                |                                |  |
| 12   |  |                                |                                |  |
| 13   |  |                                |                                |  |
| 14   |  |                                |                                |  |
| 15   |  |                                |                                |  |
| 16   |  |                                |                                |  |
| 17   | ( )  |                                |                                | ( )                                    |
| 18   |  |                                |                                |  |
| 19   |  |                                |                                |  |
| 20   |  |                                |                                |  |
| 21   |  |                                |                                |  |
| 22   |  |                                |                                |  |
| 23a  |  |                                |                                |  |
| b  |  |                                |                                |  |
| c  |  |                                |                                |  |
| d  |  |                                |                                |  |
| e  |  |                                |                                |  |
| f  |  |                                |                                |  |
| g  |  |                                |                                |  |
| 24   |  |                                |                                |  |
| 25   |  |                                |                                |  |
| 26   |  |                                |                                |  |
| 27   |  |                                |                                |  |
| 28   |  |                                |                                |  |
| 29a  |  |                                |                                |  |
| b  |  |                                |                                |  |
| c  |  |                                |                                |  |
| 30   |  |                                |                                |  |

**Note:** Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

|   |                                |
|---|--------------------------------|
| Name of corporation (common parent, if consolidated return)   | Employer identification number |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group |                                |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations   |                                |
| Name of subsidiary (if consolidated return)   | Employer identification number |

**Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items** (see instructions)

| Expense/Deduction Items  | (a)<br>Expense per<br>Income Statement | (b)<br>Temporary<br>Difference | (c)<br>Permanent<br>Difference | (d)<br>Deduction per<br>Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense . . . . .  |  |                                |                                |                                    |
| 2 U.S. deferred income tax expense . . . . .   |  |                                |                                |                                    |
| 3 State and local current income tax expense . . . . .   |  |                                |                                |                                    |
| 4 State and local deferred income tax expense . . . . .  |  |                                |                                |                                    |
| 5 Foreign current income tax expense (other than foreign withholding taxes) . . . . .  |  |                                |                                |                                    |
| 6 Foreign deferred income tax expense . . . . .  |  |                                |                                |                                    |
| 7 Foreign withholding taxes . . . . .  |  |                                |                                |                                    |
| 8 Interest expense (see instructions) . . . . .  |  |                                |                                |                                    |
| 9 Stock option expense . . . . .   |  |                                |                                |                                    |
| 10 Other equity-based compensation . . . . .   |  |                                |                                |                                    |
| 11 Meals and entertainment . . . . .   |  |                                |                                |                                    |
| 12 Fines and penalties . . . . .   |  |                                |                                |                                    |
| 13 Judgments, damages, awards, and similar costs . . . . .   |  |                                |                                |                                    |
| 14 Parachute payments . . . . .  |  |                                |                                |                                    |
| 15 Compensation with section 162(m) limitation . . . . .   |  |                                |                                |                                    |
| 16 Pension and profit-sharing . . . . .  |  |                                |                                |                                    |
| 17 Other post-retirement benefits . . . . .  |  |                                |                                |                                    |
| 18 Deferred compensation . . . . .   |  |                                |                                |                                    |
| 19 Charitable contribution of cash and tangible property . . . . .   |  |                                |                                |                                    |
| 20 Charitable contribution of intangible property . . . . .  |  |                                |                                |                                    |
| 21 Charitable contribution limitation/carryforward . . . . .   |  |                                |                                |                                    |
| 22 Domestic production activities deduction (see instructions) . . . . .   |  |                                |                                |                                    |
| 23 Current year acquisition or reorganization investment banking fees . . . . .  |  |                                |                                |                                    |
| 24 Current year acquisition or reorganization legal and accounting fees . . . . .  |  |                                |                                |                                    |
| 25 Current year acquisition/reorganization other costs . . . . .   |  |                                |                                |                                    |
| 26 Amortization/impairment of goodwill . . . . .   |  |                                |                                |                                    |
| 27 Amortization of acquisition, reorganization, and start-up costs . . . . .   |  |                                |                                |                                    |
| 28 Other amortization or impairment write-offs . . . . .   |  |                                |                                |                                    |
| 29 Reserved . . . . .  |  |                                |                                |                                    |
| 30 Depletion . . . . .   |  |                                |                                |                                    |
| 31 Depreciation . . . . .  |  |                                |                                |                                    |
| 32 Bad debt expense . . . . .  |  |                                |                                |                                    |
| 33 Corporate owned life insurance premiums . . . . .   |  |                                |                                |                                    |
| 34 Purchase versus lease (for purchasers and/or lessees) . . . . .   |  |                                |                                |                                    |
| 35 Research and development costs . . . . .  |  |                                |                                |                                    |
| 36 Section 118 exclusion (attach statement) . . . . .  |  |                                |                                |                                    |
| 37 Section 162(r)—FDIC premiums paid by certain large financial institutions (see instructions) . . . . .  |  |                                |                                |                                    |
| 38 Other expense/deduction items with differences (attach statement) . . . . .   |  |                                |                                |                                    |
| 39 <b>Total expense/deduction items.</b> Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive . . . . . |  |                                |                                |                                    |